

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:2089
ANSWERED ON:08.03.2000
ADMINISTRATIVE COST
KINJARAPU YERRANNAIDU

Will the Minister of PLANNING be pleased to state:

- (a) whether an alarming level of administrative cost in eight North-Eastern States has stalled development activities; and
- (b) if so, the measures taken by the Government to bail out these States with special assistance?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE OF THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS

(SHRI ARUN SHOURIE)

(a) & (b) It is a fact that there has been a dramatic rise in the level of administrative cost

(non-plan expenditure) in the eight North-Eastern States. While this has certainly entailed diversion of funds which would otherwise have been available for development, its ill-effects have been mitigated by the following measures taken by the Government:-

- (i) Diversion to the extent of 20% of the Normal Central Assistance (Plan) is allowed for Non-Plan purposes.
- (ii) 30% of Normal Central Assistance is ear-marked for Special Category States which include N.E. States.
- (iii) 90% of Plan assistance is grant and 10% loan as against 30% grant and 70% loan for other States.
- (iv) State contribution of 15%, which is mandatory for the Basic Minimum Services schemes, is not applicable to N.E. States.
- (v) 10% of Plan provision of the Central Ministries/Departments has been ear-marked for development of N.E. States.
- (vi) Over and above the State Plan outlays which have been increasing over the years, funds are also being sanctioned out of the Non-Lapsable Central Pool of Resources created through transfer of unspent balance of the ear-marked outlays of the Central Ministries and Departments, meant for development of the N.E. States.
- (vii) The North Eastern Council is also engaged in the development of infrastructure in the Region.
- (viii) Special dispensation has been made in respect of the Accelerated Irrigation Benefit Programme (AIBP) by incorporating minor irrigation projects for the North-Eastern States and allowing 25% of the State's share, as against 33% for others, in availing of Central Loan Assistance.